

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
WESTERN DIVISION**

In Re:	*	Case No. 15-33538
		Judge Gustafson
BX ACQUISITIONS, INC.,	*	Chapter 11 Proceeding
dba BX SOLUTIONS		
	*	
Debtor	*	

---

**MOTION OF BX ACQUISITIONS, INC. FOR THE ENTRY OF AN  
ORDER TO USE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363,  
AND TO SET ADEQUATE PROTECTION PAYMENT PURSUANT  
TO 11 U.S.C. § 361**

---

The Debtor, BX Acquisitions, Inc., dba BX Solutions (the “**Debtor**”), by and through the undersigned counsel, would file this Motion for the Entry of an Order to Use Cash Collateral Pursuant to 11 U.S.C. § 363, and to set Adequate Protection Payments pursuant to 11 U.S.C. §§ 361. In support thereof, the Debtor respectfully states as follows:

**JURISDICTION**

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicate for the relief requested in this Motion is 11 U.S.C. §§ 105 and 363 and Rule 4001(d)(1)(D) of the Federal Rules of Bankruptcy Procedure.

**BACKGROUND AND HISTORY**

3. On November 2, 2015, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (the “**Petition Date**”). At the present time, the Debtor is

operating the business and managing it's affairs as a debtor in possession. As of the date hereof, no trustee, examiner, or statutory committee has been appointed in this Chapter 11 case.

4. The Debtor has designated Christopher Marshall, it's Chief Financial officer as the responsible person for the debtor-in-possession.

5. The Debtor is engaged in the business of management and logistics of just in time delivery services systems. It arranges for contract delivery services of goods throughout the United States and operates from facilities located at One Air Cargo Parkway East, Swanton, Ohio under a Facilities and Services Management Agreement with the Toledo-Lucas County Port Authority.

6. The Debtor also leases facilities in Dallas Texas and has of the date of this Motion, sixty seven (67) employees in twelve states, but with forty five (45) employees in Ohio.

7. The Debtor was created on May 29, 2013 and acquired the assets of BX Solutions, Inc. and took over the operations of that entity commencing June 18, 2013 with the exception of a possible breach of contract action against Amazon.Com, Inc., the major customer at the time of BX Solutions, Inc. It subsequently acquired the stock of that entity, as well and has continued to do business under the name of BX Solutions.

8. The majority of the Debtor's value arises from its ongoing operations, and its ability to continue servicing its customers. Without authority to use cash collateral the Debtor will suffer irreparable harm because it will be forced to shut down all of its operations. Without the ability to use funds, the Debtor will be unable to obtain all the goods and services needed on a daily basis to operate.

9. On the Petition Date, the Debtor believes that it had the following cash collateral, as defined in 11 U.S.C. §363, ("the **cash collateral**"), consisting of proceeds of the following:

- a. Cash of approximately \$248,016, though checks in transit of approximately \$70,000;
- b. Accounts receivable valued at approximately \$1,600,000.00, though \$680,000.00 is subject to the factor agreement as described hereafter.

### **SECURITY INTERESTS AND LIENS IN CASH COLLATERAL**

10. On September 30, 2015 in an effort to gain the use of immediate funds for operations, the Debtor obtained via factoring some its accounts receivable from the Alder Fels Group, LLC ("**Prepetition Secured Creditor**"). A copy of the Loan Facility and Security Agreement is attached hereto as Exhibit A and the Financing Statement is attached as Exhibit B. At present; of the accounts receivable, the Prepetition Secured Creditor has advanced the sum of approximately \$680,000.00.

11. There is also of record a financing statement in favor of HDD Holdings, LLC filed with the Ohio Secretary of State as to BX Solutions, Inc. the predecessor to the Debtor. (A copy is attached as Exhibit C) (Collectively the Alder Fels Group LLC, and HDD Holdings, LLC and referred to as the Pre-petition Secured Creditors)

12. The Debtor does not believe that any other entity other than the Prepetition Secured Creditors has a lien or claim in the Cash Collateral.

### **REQUEST FOR USE OF CASH COLLATERAL**

13. The Debtor requires the use of Cash Collateral to make such payments as are necessary for the continuation of its business as shown in the Budget for the next 60 days, attached as Exhibit D. The projected revenue and expenses in the Budget are based upon historical financial data as well as its current customer contracts and schedules and the changes in operations that the Debtor intends to implement.

14. The Budget projects the Debtor's anticipated revenue and expenses and demonstrates the amount of funds the Debtor must expend on its operations over a sixty (60) day period and the Debtor projects that it will need to spend \$1,685,536.04 to avoid immediate and irreparable harm. The Debtor requests authority to spend that amount in accordance with the budget attached to this Motion (the "Budget"), with a twenty percent (20%) variance for each line item. Absent the ability to use cash collateral, the Debtor would be required to shut down all

operations.

15. Accordingly, authorizing the Debtor to use Cash Collateral as set forth in the Budget is in the best interests of all creditors and parties in interest.

### **ADEQUATE PROTECTION**

16. The Debtor proposes that as and for adequate protection under Sections 363 and 361 of the Bankruptcy Code, for the security interest of the Prepetition Secured Creditor, the Debtor offers replacement liens (“the **Replacement Liens**”) in the Debtor’s cash collateral now owned or hereafter acquired. The Replacement Liens shall be liens on the Debtor's assets which are created, acquired, or arise after the Petition Date, but limited to only those types and descriptions of collateral in which the Prepetition Secured Creditor holds a pre-petition lien or security interest. The Replacement Liens shall have the same priority and validity as the Prepetition Secured Creditor's pre-petition security interests and liens. At present, based on the cash collateral on hand versus the amount of the debt, the Debtor has an equity cushion of approximately 1,200,000.00 and as such constitutes adequate protection.

17. The Debtor does not believe HDD Holdings, Inc. has a valid claim based on the Financing Statement as to BX Solutions, Inc. and therefore does not propose any replacement lien or adequate protection.

### **NOTICE**

18. Simultaneously with this Motion, the Debtor is also seeking an emergency and expedited hearing on this Motion pursuant to Bankruptcy Rule 2002(a)(2), Bankruptcy Rule 6003 and Bankruptcy Rule 9006(c), by which the Court may for cause shown shorten or direct another method of giving notice for the proposed relief requested, if the Debtor shows immediate or irreparable harm.

19. The Debtor believes that the approval of this Motion is in the best interest of the Debtor, its creditors and its estate because it will enable the Debtor to (i) continue the orderly operation of its business and avoid an immediate total shutdown of operations; (ii) meet its obligations for necessary ordinary course expenditures, and other operating expenses; and (iii) make payments authorized under other orders entered by this Court, thereby avoiding immediate and irreparable harm to the Debtor's estate.

20. Finally, the Debtor has been in contact with counsel for the Prepetition Secured Lender and believes that there exist the very realistic possibility of an agreed order for the use of cash collateral and adequate protection and entry of such an order proper if the Prepetition Secured Lender has agreed to the relief under 11 U.S.C. § 363(c)(2)(A), which provides:

The trustee may not use, sell, or lease cash collateral under paragraph (1) of this subsection unless—

(A) each entity that has an interest in such cash collateral consents

**WHEREFORE**, the Debtor seeks the entry of an Order to Use Cash Collateral Pursuant to 11 U.S.C. § 363, and to set Adequate Protection Payments pursuant to 11 U.S.C. §§ 361, and granting such other and further relief as is just and proper.

Respectfully submitted,

DILLER & RICE

/s/Steven L. Diller

Steven L. Diller (0023320)

Attorney for Debtor

124 E. Main Street

Van Wert, Ohio 45891

Phone: (419) 238-5025

Fax: (419) 238-4705

[steven@drlawllc.com](mailto:steven@drlawllc.com)

## NOTICE PURSUANT TO LOCAL RULE

**Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this case. If you do not have an attorney, you may wish to consult one.** Under Local Bankruptcy Rule 9013-1 and 4:08, unless a written response to the Motion are filed with the Clerk of the Court and served on the moving party and the Office of the U.S. Trustee, objecting to the relief requested within twenty one (21) days, the Court may deem the opposition waived, treat the motions as conceded, and issue an order granting the requested relief without further notice of hearing.

/s/Steven L. Diller

## CERTIFICATION

I, Steven L. Diller, do hereby certify that a copy of the Motion for Use of Cash Collateral was mailed by ordinary mail or electronically this 2nd day of November, 2015, to the following parties in interest:

/s/Steven L. Diller  
Steven L. Diller

Service List:

### **Notice will be electronically mailed to:**

Raymond L Beebe on behalf of Prepetition Secured Creditor, Alder Fels Group, LLC  
[RLBCT@buckeye-express.com](mailto:RLBCT@buckeye-express.com)

Steven L Diller on behalf of Debtor BX Acquisitions, Inc..  
[steven@drlawllc.com](mailto:steven@drlawllc.com), [kim@drlawllc.com](mailto:kim@drlawllc.com); [dillon@drlawllc.com](mailto:dillon@drlawllc.com); [eric@drlawllc.com](mailto:eric@drlawllc.com)

Maria D. Giannirakis ust06 on behalf of U.S. Trustee United States Trustee  
[maria.d.giannirakis@usdoj.gov](mailto:maria.d.giannirakis@usdoj.gov)

Notice will be sent via ordinary US mail to:

Alder Fels Group, LLC  
7644 King's Pointe Road  
Toledo, Ohio 43617

Notice will be electronically mailed to:

Accountemps  
12400 Collections Center Dr.  
Chicago, IL 60693

Air Ground Xpress  
55 Matchette Road  
Aurora, NY 13026

Alder Fels Group LLC  
7644 King's Pointe Road  
Toledo, OH 43617

Anywhere LLC, dba Anyware  
Express  
PO Box 40877  
Charleston, SC 29423

Argix Logistics  
100 Middlesex Center Blvd.  
Jamesburg, NJ

Butch's Boy Trucking  
230-19 International Airport  
Center  
Jamaica, NY 11434

Cerasis Inc.  
PO Box 21248  
Saint Paul, MN 55121

Christopher Marshall  
5919 Red Leaf Lane  
Monclova, OH 43542

CISP  
3035 Moffat Rd.  
Toledo, OH 43615

CLT Air Freight Carrier, LLC  
4325 Beam Road, Suite 214  
Roswell, GA 30075

Covenant Transport, Inc.  
400 Birmingham Highway  
Chattanooga, TN 37419

CRST Expedited Inc.  
3930 16th Avenue SW  
Cedar Rapids, IA 52406

Dedicated Logistics Services, Inc.  
PO Box 307  
White Haven, PA 18661

Dell Financial  
Mail Stop-PS2DF-23  
One Dell Way  
Round Rock, TX 78682

DHL Globalmail  
12868 Collections Center Dr.  
Chicago, IL 60693

DMC Technology Group, Inc.  
7657 King's Pointe Rd.  
Toledo, OH 43617

Donald Harbaugh  
2281 Evergreen Road  
Toledo, OH 43606

Easley Transportation, LLC  
4629 Damascus Road  
Memphis, TN 38118

Enterprise Security Solutions of  
Texas  
PO Box 50389  
Denton, TX 76205

Enterprise Security Solutions  
Texas  
2126 Hamilton Road Suite 410  
Argyle, TX 76226

Erik Young  
368 Blue Jacket  
Perrysburg, OH 43551

Fast Fleet Systems, Inc.  
1414 Calcon Hook Road  
Sharon Hill, PA 19079

Fifth Third Bank  
PO Box 630781  
Cincinnati, OH 45263

GM Freight, Inc.  
25299 Brest Road  
Taylor, MI 48180

HDD Holdings, Inc.  
405 Madison Ave., 8th Floor  
Toledo, OH 43604

HDD Holdings, LLC  
405 Madison Avenue  
8th Floor  
Toledo, OH 43604-1243

Horizon Air Service LTL  
480 William F. McClellan  
Highway  
Boston, MA 02128

Horizon Air Service, Inc.  
480 William F. McClellan Highway  
Boston, MA 02128

Instico Express  
1702 Minters Chapel Road  
Suite 218  
Grapevine, TX 76051

J & P Hall  
309 Cash Memorial Blvd.  
Forest Park, GA 30297

John Butler  
14160 N. 109th St.  
Scottsdale, AZ 85255

JV Transport Consultants, Inc.  
720 South Front Street  
Elizabeth, NJ

Kings Express of WNY, Inc.  
3813 Broadway St.  
Buffalo, NY 14227

Land Air Express, Inc.  
PO Box 2250  
Bowling Green, KY 42102

Land Air Express/Hub  
PO Box 2250  
Bowling Green, KY 42101

Lawrence Jones  
5836 Sherwood Circle  
Monclova, OH 43542

Load One Transportation-Logistics  
13221 Inkster  
Taylor, MI 48180

Lykes Cartage Company, Inc.  
8606 Wall St.  
Suite 1900  
Austin, TX 78754

Matrix Integ Psychological  
Services  
2 Easton Oval Suite 450  
Columbus, OH 43219

Mid South Express Delivery, Inc.  
3644 Winchester Road  
Suite 108  
Memphis, TN 38118

Midwest Express  
301 W. Touhy Ave  
Suite 200  
Des Plaines, IL 60018

Mobile Air Transport  
12 Runway Avenue  
Latham, NY 12110

Montgomery Air Freight  
4820 Wesport Blvd.  
Montgomery, AL 36108

National Rental  
6929 N. Lakewood Ave.  
Suite 100  
Tulsa, OK 74117

Nolan Transportation  
85 Mill Street, Blvd. A  
Suite 214  
Roswell, GA 30075

Office Depot  
PO Box 630813  
Cincinnati, OH 45263

OKX Logistics, Inc.  
PO Box 272138  
Oklahoma City, OK 73137

Omega Fleet Service, inc.  
PO Box 31  
4N281 Rohlwing Road  
Addison, IL 60101

Prologis L.P. and Prologis Inc  
PO Box 846336  
Dallas, TX 75284

Roanoke Insurance Group  
35079 Eagle Way  
Chicago, IL 60678

Rodale, Inc.  
PO Box 415173  
Boston, MA 02241



Shoppa's Material Handling  
PO Box 612027  
Dallas, TX 75261

Shoppas Material Handling  
15217 Grand Rivers Road  
Fort Worth, TX 76155

Signature Bank  
4607 W. Sylvania Ave.  
Toledo, OH 43623

Special Service Freight Company  
of  
Carolyn's  
600 Pegg Road  
Suite 111-113  
Swift Transportation Services  
2200 S. 75th Avenue  
Phoenix, AZ 85043

Star Transportation, Inc.  
1116 Polk Avenue  
Nashville, TN 37210

Sterling Transportation  
5353 W. Imperial Hwy.  
Suite 300  
Los Angeles, CA 90045

Tax Airfreight, Inc.  
5975 South Howell Avenue  
Oak Creek, WI 53154

The Expediting Company, Inc.  
1295 S. Brown School Road  
Vandalia, OH 45377

TM Express, Inc.  
PO Box 2133  
Grapevine, TX 76099

TM Express, Inc.  
1220 Texas Trail, Suite 210  
Grapevine, TX 76051

Todd Hines  
6660 W. Meadows Lane  
Maumee, OH 43537

Toledo-Lucas County Port  
Authority  
One Maritime Plaza Suite 701  
Toledo, OH 43604

Toledo-Lucas County Port  
Authority  
One Maritime Plaza  
Toledo, OH 43604-1866

Total Airport Services  
Complex A Bld.  
85-240 Bradley International  
Airport  
Windsor Locks, CT 06096

Town Delivery Inc  
2615 North 11st St.  
Omaha, NE 68110

Toyota Motor Credit  
Corporation  
PO Box 3457  
Torrance, CA 90510-3457

Tri-State Expedited Service,  
Inc.  
27681 Cummings Road  
Millbury, OH 43447

U.S. Xpress, Inc.  
4080 Jenkins Road  
Chattanooga, TN 37421

Unicorn Transportation, Inc.  
PO Box 607  
Linthicum Heights, MD 21090

Werner Enterprises, Inc.  
14507 Frontier Road  
Omaha, NE 68138

XPO Logistics  
Five Greenwich Office Park  
Greenwich, CT 068310

Yara North America, Inc.  
100 North Tampa Street  
Suite 320  
Tampa, FL 33602